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CHINA

The demonstrations on April 5, which seemed designed to put pressure on the party's left wing to ease up on its campaign against Teng Hsiao-ping, instead precipitated his removal from office.

The Central Committee announcement that Teng Hsiao-ping has been dismissed from all his positions inside and outside the party specifically links this move to the demonstrations on April 5. The left successfully seized this opportunity to bring more serious charges against Teng.

The announcement indicated that the events of Monday had changed the situation—Teng's case "turned into" one requiring punishment rather than persuasion. In contrast to this unequivocal indictment, a party directive issued in late February or early March indicated that Teng was at that time in a relatively good position to survive the attacks on him. It reportedly stated that Teng was not to be "struck down" and that his case was different from those of party leaders purged in the recent past.

The wide international coverage of Monday's events clearly angered and embarrassed Mao and the left, and may have enabled them to win the support of moderates on the Politburo for the removal of Teng.

Teng is obviously completely out of the succession sweepstakes, but he retains his party membership and has been given a chance to make amends for his errors.

Teng's removal does not appear to be an unqualified victory for the party's left wing. Although the decision on his case was "unanimous," indicating his supporters abandoned him, concessions from the left may have been involved. One such concession could be that the announcement on Teng is to mark the end of the current political campaign. Indeed, the editorial published Tuesday seemed more sharply focused on Teng alone than any previous articles, and the reappearance on April 7 of Politburo member Li Hsien-nien, one of Teng's staunchest supporters who had been absent from public view since mid-January, suggests that other supporters of Teng will not suffer.

The appointment of Hua Kuo-feng as premier and as first vice chairman of the party may also be part of a compromise solution. Hua is not in the leftist camp and was attacked by leftists in 1974. There is also some evidence that he may have been subject to indirect attacks from the left during the campaign against Teng. In any event, his elevation to first vice chairman of the party, a spot left vacant with the death of Chou En-lai, suggests that the removal of Teng will not necessarily allow the leftists to increase their influence significantly in the top leadership. Hua was promoted over Wang Hung-wen, a young party leftist who had been next in line for the first vice chairmanship.

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The appointment of Hua to the premiership, together with the reappearance of Li Hsien-nien, the party's leading economic specialist, suggests that the government will continue to pursue with little change the ambitious economic policies set by the moderates in recent years. Indeed, the preservation of moderate policies on a broad range of issues has undoubtedly been foremost in the minds of moderates in the leadership.

Teng's backers may have agreed to drop their support of him once they were assured that the relatively moderate Hua would become premier and would be promoted to a position in the party of sufficient stature to give him a major say in policy issues. Hua's new party position, leaving him second only to Mao, gives him that stature.

Hua is closely identified with the effort to modernize agriculture and, when he was acting premier, he frequently indicated there would be no change in China's foreign policy. Others in the leadership, who may have opposed the abrasive Teng for personal reasons but did not differ with him over policy issues, may now close ranks with those who personally supported Teng, thus giving the moderates a major voice in policy matters.

Apart from the factional opportunities and disabilities arising out of Monday's disturbances, the leadership as a whole was probably considerably shaken by the demonstrations. Although they may have been encouraged by some officials, the demonstrations revealed a depth of popular feeling about the late premier Chou En-lai and the policies he stood for that has no real precedent since the communists took power. Large-scale demonstrations apparently were confined to the capital, but pro-Chou manifestations also took place in the past week elsewhere in China.

To some extent, this outpouring of feeling was made possible by the continuing uncertainty about authority in Peking: Hua Kuo-feng were merely an "interim" acting premier, Teng Hsiao-ping remained under attack but was not out of the picture, and the leftists had not been able to impart momentum to their campaign of denigration. Most leaders may have believed that a decisive display of authority, indicating the upper levels of the regime could contain their differences, was in order. All were also undoubtedly acutely concerned about the image of confusion and unbridled rivalry that was being presented to foreign observers, particularly in the Soviet Union.

The decisions of April 7, however, certainly do not provide a long-term solution to China's leadership problems. The *People's Daily* editorial of April 6 acknowledged—for the second time—that the Central Committee of the party remains split. Given the depth of public sentiment revealed on Monday and the relatively powerful position of the moderates in positions of authority throughout the country, a "backlash" against the left is still a real possibility. Another round of struggle is almost certainly in the cards, perhaps even before Mao dies.

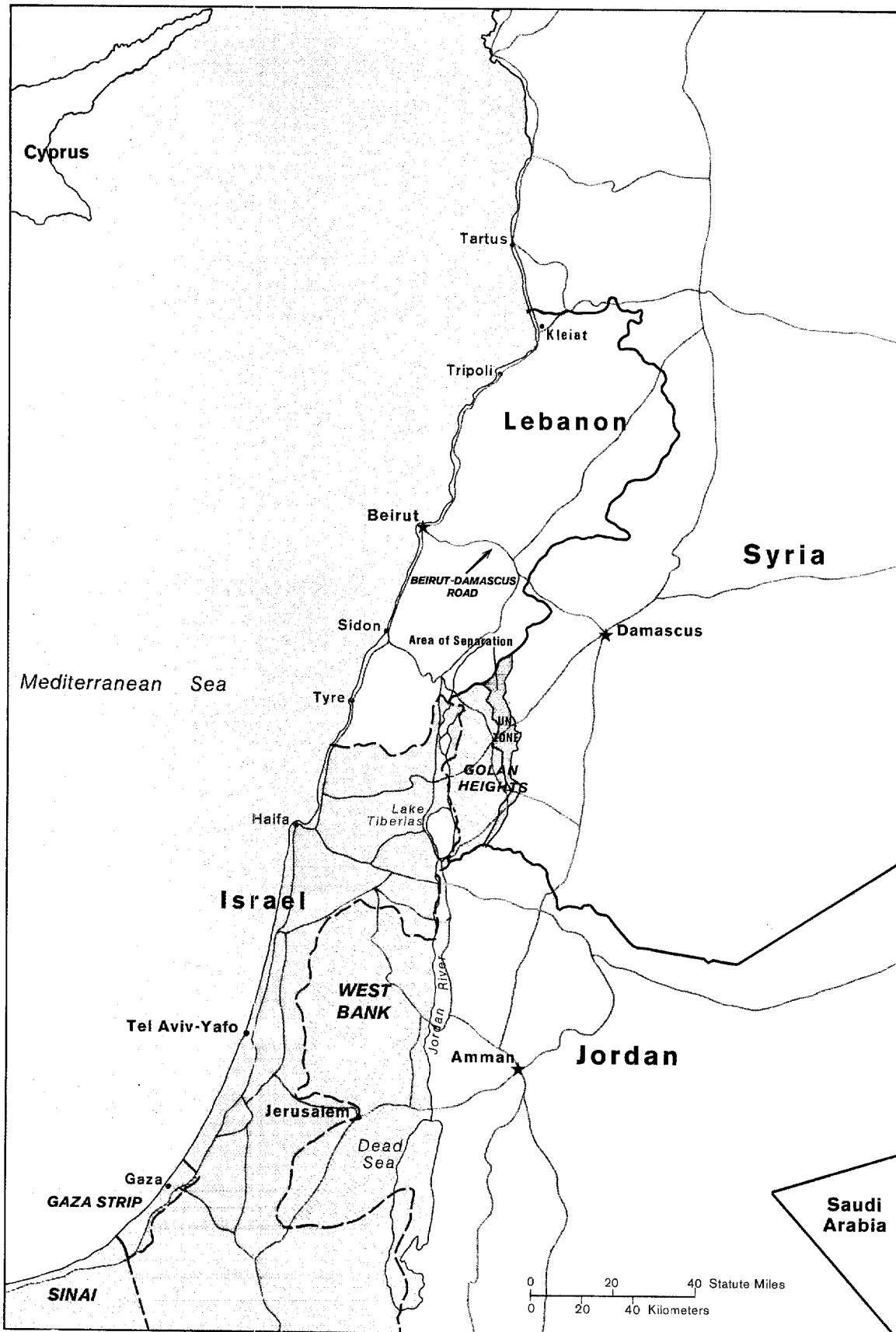
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The current situation is still fluid, and further changes in the leadership may be decided at the leadership meetings now under way in Peking. Further indications of the present pecking order may be available in a few days, but a new leadership lineup may not be fully revealed until May 1.

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LEBANON

Syria has kept several patrol boats on the naval blockade of Tripoli and may now be using helicopters to support the blockade and its forces inside Lebanon.

A source of the US defense attache in Beirut says helicopters have been assisting a Syrian ground force that crossed into northern Lebanon on Tuesday. The force, reportedly dressed in uniforms of the Syrian-controlled Saiqa fedayeen organization, was described as being about brigade size—which could include as many as 2,000 troops—with some 100 to 150 vehicles, including armored personnel carriers.

Damascus has moved larger numbers of Syrian regulars into Tripoli instead of into central or southern Lebanese cities presumably to minimize the chance of an Israeli countermove. The attache's source reports that the mission of the Syrian force appears to be to control the area between Tripoli and the air base at Kleiat. The Syrians may calculate that the Israelis, albeit apprehensive, will continue to tolerate a gradual buildup of Syrian regular forces inside Lebanon if they are disguised as fedayeen and do not have armored units with them.

Damascus hopes that Tel Aviv will continue to act with restraint, knowing that the blockade and infusion of forces in the north will deny arms to the leftist and Muslim militias. Syria will also be able to exercise greater restraint over the forces of rebel army leader Ahmad Khatib, which are well represented in the Tripoli area.

With this show of force in the north, Syria probably intends to convince the Lebanese leftists that they must push ahead with plans to replace President Franjiyah, and avoid sparking a new round of heavy fighting. The danger is that it might fail to intimidate the leftists, and cause Damascus to misjudge the limits of Israeli tolerance for a similar move in central or southern Lebanon.

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A French government spokesman announced yesterday that Georges Gorse, a former minister and diplomat, will leave for Lebanon today on a "fact-finding" mission but emphasized that he is not charged with carrying out a mediation effort.

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One person was killed in Homs, Syria, early this week when police broke up a demonstration organized by the Muslim Brotherhood in support of the Palestinians in Lebanon and in protest against Syria's relatively even-handed role in trying to negotiate a settlement.

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UK

Trade unionists have reacted negatively to Chancellor of the Exchequer Healey's proposals for a 3-percent wage limit, but they have not rejected the plan outright.

Union leaders met with Healey yesterday in probably the first of many bargaining sessions over the government's pay policy. Difficult negotiations lie ahead, but a compromise will probably emerge by June that will satisfy union members and help slow the rate of inflation.

A Trades Union Congress official told US diplomats in London that while union leaders had been aware for weeks that Healey intended to offer tax relief in return for wage restraint, they were genuinely shocked by his 3-percent restriction. Inflation is currently running at an annual rate of 17 percent.

Len Murray, general secretary of the Trades Union Congress, described Healey's offer to cut taxes in exchange for a union promise to limit wage demands as only "a starting point." He also said the unions would produce their own figures on just what the tax cuts would mean to the average worker.

Unions representing skilled blue collar and well-paid white collar workers object to a 3-percent limit. These unions have been particularly annoyed by the flat rate wage increase that has brought their members closer to the average pay scale.

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TURKEY

Turkish government and military leaders are generally pleased with the new US-Turkish defense agreement and expect little trouble in obtaining parliamentary approval, provided the pact is also approved by the US Congress.

The government has been assisted by the negative Greek reaction to the agreement. National Salvation Party Deputy Chairman Emre underscored this by asserting the Greek reaction is "proof enough it is a good agreement," and this apparently is the attitude of many Turks.

Opposition leader Bulent Ecevit has all along expressed doubts about Prime Minister Demirel's handling of the defense agreement negotiations. He has apparently concluded, however, that the agreement meets enough of Turkey's needs to warrant ratification. While Ecevit claims he could have obtained better terms and concluded an agreement sooner, he apparently will instruct his party to vote favorably on the agreement.

The Turks are still concerned about approval of the agreement by the US Congress. Prime Minister Demirel is no doubt aware that his shaky coalition might come apart if the Turkish parliament approves the pact only to have it defeated in the US. Therefore, he may try to stall formal parliamentary consideration until after the US Congress acts.

The negative Greek reaction to the agreement has given Demirel's coalition government a significant boost, but the Prime Minister realizes he needs US Congressional approval of the agreement to cement his gains. To improve prospects for US ratification, the Turks may devote more energies to lobbying efforts. More tangible actions, such as significant concessions on Cyprus, are not likely in the near future.

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SOUTH AFRICA - ISRAEL

South African Prime Minister Vorster is scheduled to arrive in Israel today for a short visit at his initiative. There is no indication what Vorster wishes to discuss with Israeli officials, but he will be accompanied by Foreign Minister Muller.

During the 1960s, the relationship between the two countries was at a low level because of Israel's efforts to foster relations throughout black Africa. South African and Israeli relations have prospered in the period since the October 1973 war, which all but erased Tel Aviv's diplomatic presence in black Africa. Both governments have raised their diplomatic missions to embassy level and fostered close economic and cultural ties.

Nevertheless, the Israelis view the Vorster visit with some concern and apparently agreed to the trip only after constant prodding from Pretoria. Tel Aviv fears the visit will disrupt its present low-key but vigorous efforts to re-establish ties with black Africa. The Israelis are downplaying the visit by describing Vorster as a "guest of Prime Minister Rabin" rather than announcing the visit as an official one.

The Israelis almost certainly will be watching for African reactions to the visit during the meeting of Arab and African foreign ministers that opens in Dakar on April 19. The meeting is intended to bolster Afro-Arab cooperation.

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ANGOLA

President Neto has reportedly made an offer to settle differences with the National Union.

In exchange for an end to guerrilla activities, Neto indicated he would accept members of the National Union into the Luanda government. The offer would exclude National Union leader Savimbi, however, from any discussions or participation in the government. National Union officials have said they are willing to negotiate, but only after foreign troops are removed from Angola. Thus, prospects for reconciliation are poor at this time.

An advance force of Popular Movement and Cuban troops was in position around the Angolan side of the Cunene hydroelectric project on April 5. The arrival of Cuban forces in southern Angola was confirmed by South African defense forces.

Construction on the hydroelectric project resumed on April 6 after the South African government and the Popular Movement agreed to guarantee the security of construction sites, workers, and machinery. The two governments reportedly also agreed to respect each other's borders and to establish check points to control workers as they transit the area.

South Africa will probably continue its defensive preparations along the Namibian border. The arrival of more Cuban and Popular Movement forces will increase the possibility of minor clashes in the area.

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PAPUA NEW GUINEA

Prime Minister Somare on March 26 presented a compromise package to parliament that would reestablish provincial government for Bougainville within Papua New Guinea.

Somare rejected provincial government for Bougainville a year ago, but is now calling the proposal the last chance to settle the Bougainville secession problem without a confrontation. Bougainville, whose large copper mines are the main source of the country's foreign exchange, tried to secede last September and was the scene of civil disorders in January.

Major features of Somare's package, which are to be completed by December, include:

- Revocation of the order last year to suspend provincial government in Bougainville.
- A provincial election within 30 days of the revocation order.
- Transfer of various payments frozen since last year.
- Establishment of a joint committee to allocate powers between Port Moresby and Bougainville.
- Amendment of the constitution to allow the establishment of provincial governments as districts become ready.

Parliament's reaction to the plan was favorable, and the package will probably be approved. The most ticklish issue remains the allocation of powers between the provinces and the central government. Despite Somare's genuine desire for an amicable settlement, long and bitter sessions are expected before the issue is resolved. The outcome of the Bougainville talks could set a precedent for similar arrangements with other regional groups.

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CZECHOSLOVAKIA-EGYPT: Czechoslovakia will end all arms deliveries to Egypt when current agreements expire in 1977, according to a senior Czechoslovak diplomat in Cairo. Czechoslovakia still has an estimated \$2 million in ammunition and ground force equipment to deliver. During the last five years, Czechoslovakia has provided Egypt with modest levels of ground force materiel, including armored personnel carriers and medium tanks.

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IRAN-CUBA: Iran has broken diplomatic ties with Cuba over a publicized meeting last month between Cuban Premier Castro and the leader of the outlawed Iranian Communist Party. Formal relations between the two countries were established only 14 months ago. The two men met in Moscow while attending the Communist Party congress. Press accounts of the meeting included statements of support by Castro for the Iranian party. Despite efforts by Cuba and the Iranian communist leader to minimize the significance of the meeting, the Shah regards the incident as a gross intervention in Iran's internal affairs.

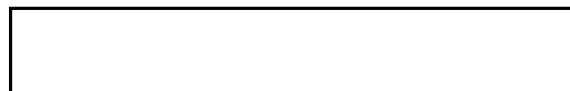
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